What is a Coin-operated Amusement Machine?
A coin-operated amusement machine is any machine operated by coin, slug, token, coupon, or other similar device for entertainment or amusement purposes, such as:

- Arcade games or video games
- Billiard or pool tables
- Coin-operated radios or televisions or moving picture viewers
- Juke boxes or music machines
- Mechanical rides
- Pinball machines
- Shooting galleries
- Telescopes

The amusement machine operator is any person who possesses a coin-operated amusement machine for the purpose of generating sales through that machine, and who is responsible for removing the receipts from the machine.

What is Taxable?
Sales tax, plus any applicable discretionary sales surtax, is due on the receipts generated through coin-operated amusement machines, unless the receipts are exempt.

The purchase, lease, or rental of amusement machines, amusement machine parts, and repairs to amusement machines are subject to sales tax, plus any applicable discretionary sales surtax. Items purchased as prizes are subject to tax, plus any applicable surtax, at the time of purchase.

The lease, rental, or license to operate an amusement machine at another person’s location is subject to sales tax, plus any applicable discretionary sales surtax.

What is Exempt?
Receipts from amusement machines operated by churches and synagogues are exempt.

What Certificates are Required?
Sales and Use Tax Certificate of Registration (Form DR-11).

Amusement machine operators must register as a sales and use tax dealer in each county where they operate an amusement machine.

You can register to collect, report and pay sales tax and discretionary sales surtax online at floridarevenue.com/taxes/registration. The online system will guide you through a series of questions to help determine your tax obligations. If you do not have internet access, you can complete a paper Florida Business Tax Application (Form DR-1).

As a registered sales and use tax dealer, a Certificate of Registration (Form DR-11) and a Florida Annual Resale Certificate for Sales Tax (Form DR-13) will be mailed to you. If you are not filing electronically, paper tax returns will be mailed to you. The Certificate of Registration must be displayed in a clearly visible place at your business location. The Florida Annual Resale Certificate for Sales Tax is used for tax-exempt
purchases you intend to resell. If the goods bought for resale are later used (not resold), you must report and pay use tax and surtax on those items. Florida law provides for criminal and civil penalties for fraudulent use of a Florida Annual Resale Certificate for Sales Tax.

**Amusement Machine Certificate (Form DR-18C)**

For every location where coin-operated amusement machines are in operation, a certificate must be displayed authorizing the operation of a specified number of machines. The amusement machine operator is required to purchase and display the annual Amusement Machine Certificate (Form DR-18C).

To obtain the required annual certificates, submit an Application for Amusement Machine Certificate (Form DR-18). The annual cost of the certificate is $30 per machine at each location.

Amusement machine certificates expire on June 30th each year and must be renewed before that date. A renewal notice containing information on your Amusement Machine Certificates will be mailed to the machine operator 30 to 60 days before the certificate’s expiration date.

A $250 per machine penalty may be imposed on the amusement machine operator for failure to obtain and properly display a current Amusement Machine Certificate, or when the number of amusement machines shown on the Amusement Machine Certificate is less than the number of machines at that location. A $250 per machine penalty may also be imposed on the business where any amusement machine is operated without a current Amusement Machine Certificate.

**Who Collects, Reports, and Pays the Tax?**

The responsibilities of the machine operator are to:
- Obtain and display the Amusement Machine Certificate
- Remove the receipts from the machine
- Pay sales tax, plus any applicable surtax, due on the receipts from the machine
- Keep proper records

The business owner where the amusement machines are operated is considered the amusement machine operator, even when the business is not the owner of the machines. However, the machine operator’s responsibilities may be otherwise specified in a written agreement between the business owner and the amusement machine owner.

When a written agreement between the location business and the machine operator specifies that the arrangement is a license to use real property, the location business is required to collect sales tax, plus applicable surtax, from the machine operator on the rental consideration paid for use of the real property on which the machines are operated. Sales tax, plus applicable surtax, is due on the total rental consideration, including any commission or percentage of machine receipts received by the location business from the machine operator. For more information, review the brochure Sales and Use Tax on Commercial Real Property Rentals (GT-800016).

Machine operators who lease or license space (real property) to place and operate an amusement machine may obtain a Sales and Use Tax Direct Pay Permit to self-accrue and pay sales tax, plus applicable surtax, directly to the Department on the rental consideration paid. To apply for a permit, submit an Application for Self-Accrual Authority/Direct Pay Permit – Sales and Use Tax (Form DR-16A).

Business owners that receive a Sales and Use Tax Direct Pay Permit from an amusement machine operator are not required to collect sales tax or surtax on the amount received from the operator for the lease, or license to use real property.
How to Calculate Tax on Amusement Machine Receipts

Charges for the use of amusement machines are subject to sales tax and discretionary sales surtax at the tax rate imposed by the county where the machines are located. To calculate the sales tax plus any applicable surtax:

1. Divide the total receipts from charges for the use of amusement machines by the tax rate divisor for the county where the machines are located to compute gross sales.

2. Subtract gross sales from the total receipts to compute the amount of sales tax and surtax due.

A deduction is not allowed for any amount paid for the lease or license of the machine, or the space (real property) to operate a machine, when computing the tax and surtax due on amusement machine receipts.

<table>
<thead>
<tr>
<th>Surtax Rate</th>
<th>Amusement Divisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>No surtax</td>
<td>1.040</td>
</tr>
<tr>
<td>0.5%</td>
<td>1.045</td>
</tr>
<tr>
<td>1.0%</td>
<td>1.050</td>
</tr>
<tr>
<td>1.5%</td>
<td>1.055</td>
</tr>
<tr>
<td>2.0%</td>
<td>1.060</td>
</tr>
<tr>
<td>2.5%</td>
<td>1.065</td>
</tr>
</tbody>
</table>

Example

The total amusement machine receipts of $100 are received from machines located in a county with a combined sales and surtax rate of 6.5%. The amusement machine rate divisor is 1.045.

$100 ÷ 1.045 = $95.69 (gross sales)

$100 – $95.69 = $4.31 (sales tax and surtax due)

$95.69 x .005 = $.48 (discretionary sales surtax)

Report $.48 surtax for this transaction on Line 15(d), Form DR-15, Sales and Use Tax Return.

Filing and Paying Tax

You can file returns and pay sales and use tax, plus any applicable surtax, using the Department’s online file and pay website at floridarevenue.com/taxes/filepay or you may purchase software from a software vendor. A list of software vendors is available on the Department’s website at floridarevenue.com/taxes/eservices.

Returns and payments are due on the 1st and late after the 20th of the month following each reporting period, whether you are filing monthly, quarterly, twice a year, or yearly. If the 20th falls on a Saturday, Sunday, or state or federal holiday, returns are timely if filed electronically, postmarked, or hand-delivered on the first business day after the 20th. Florida law requires you to file a tax return even if you do not owe sales and use tax.

When you electronically pay, or you electronically file and pay at the same time, you must initiate your electronic payment and receive a confirmation number no later than 5:00 p.m. ET on the business day prior to the 20th. Keep the confirmation number in your records. The Florida eServices Calendar of Electronic Payment Deadlines (Form DR-659) provides a list of deadlines for initiating electronic payments on time and is available on the Department’s website at floridarevenue.com/forms.

If you file your return or pay tax late, a late penalty of 10% of the amount of tax owed, but not less than $50, may be charged. The $50 minimum penalty applies even if no tax is due. Penalty will also be charged if your return is incomplete. A floating rate of interest applies to underpayments and late payments of tax. Interest rates are available on the Department’s website at floridarevenue.com/taxes/rates.
How to Report Tax

Sales tax and surtax due on amusement machine receipts must be reported on a Sales and Use Tax Return (Form DR-15). Below is an example.

**Family Amusement Games Act**

The Family Amusement Games Act (section 546.10, Florida Statutes) requires the Department of Revenue to annually adjust the maximum value on the redemption value of a coupon or a point for purposes of defining an amusement game or machine. The adjusted maximum value becomes effective the following January 1st.

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Adjusted Maximum Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2015 – December 31, 2017</td>
<td>$5.25</td>
</tr>
<tr>
<td>January 1, 2018 – December 31, 2018</td>
<td>$5.35</td>
</tr>
<tr>
<td>January 1, 2019 – December 31, 2019</td>
<td>$5.50</td>
</tr>
<tr>
<td>January 1, 2020 – December 31, 2020</td>
<td>$5.60</td>
</tr>
</tbody>
</table>

1 The maximum value is adjusted annually by the rate of inflation for the 12 months preceding September 1, rounded to the nearest 5 cents, by multiplying the previous maximum value by one plus the percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items (not seasonally adjusted), as calculated by the U.S. Department of Labor.
Updating Your Business Information
The quickest way to notify the Department of changes to your account, such as updates to your name, address or location, or when you temporarily suspend or resume business operations, is online at floridarevenue.com/taxes/updateaccount.

If you close or sell your business, you must file a final return and pay all taxes due within 15 days after closing or selling the business. Your final return must cover the period from your most recent return filing to the closing date.

Resources for Business Success: Partnership with SCORE
The Department is proud to partner with SCORE to provide tools and resources to help businesses succeed. SCORE is a nonprofit association of volunteer business counselors supported by the U.S. Small Business Administration. In partnership with SCORE, the Department presents webinars on topics that provide important information for your business. Webinars are available through the Department’s website at floridarevenue.com/taxes/education.

Reference Material
Brochures - Download these brochures from floridarevenue.com/forms:
- Sales and Use Tax on Commercial Real Property Rentals (GT-800016)
- Sales and Use Tax on Concession Stands (GT-800003)
- Sales and Use Tax on Vending Machines (GT-800041)

Contact Us
Information, forms, and tutorials are available on the Department’s website at floridarevenue.com.

To speak with a Department of Revenue representative, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

Subscribe to Receive Updates by Email
Visit floridarevenue.com/dor/subscribe to sign up to receive an email when the Department posts:
- Tax Information Publications (TIPs)
- Proposed rules, including notices of rule development workshops and emergency rulemaking
- Due date reminders for reemployment tax and sales and use tax